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REPORT No. —.]

[SES. 1866-'67.]

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REPORT OF THE JOINT SELECT COMMITTEE ON
THE NORTH CAROLINA RAIL ROAD.

The Joint Select Committee "to examine the books, inquire into the alledged abuses, and the general management and condition of the North Carolina Rail Road," beg leave to submit the following report :

They met in this city on the 22nd of December last, and organized, and in order to prosecute their inquiries in such manner as would enable them to acquire the largest amount information relative to the object of their appointment, and with the least inconvenience to the authorities and officers of the Road, they adjourned to meet at the Company Shops on the 7th day of January following, and in the mean time instructed their Chairman to address notes to various persons, supposed to be most familiar with the management of the Road, requesting them to appear before the Committee on the day following, that on which the Committee were to meet, and also one to Thomas Webb, Esq., President of the Road, requesting him, if practicable, to assemble the Board of Directors on the 9th day of January.

A portion of your Committee were promptly in attendance at the Company Shops at the time to which they adjourned ; but owing to the inclemency of the weather and other unavoidable causes, a quorum was not present till the evening of the following day.

The Committee, after reflecting upon the magnitude of the duties imposed upon them by the resolution under which they were appointed, soon perceived that it was impossible

for them thoroughly to examine the books of the Company, and investigate, satisfactorily, and with any considerable minuteness, all the matters which seemed to be contemplated in their appointment, in time to report to the present session of the General Assembly. They were, nevertheless, anxious to perform the duties devolved upon them, if not fully, as far as possible, and report as directed. And, supposing that "the alleged abuses," mentioned in the resolution under which they were appointed, while not limited entirely, had especial reference to abuses, alleged to exist in a memorial presented to the General Assembly, asking a modification of the charter, they came to the conclusion that the best mode they could adopt, in order to determine the existence of abuses in the management of the Road, their character, and at the same time properly fix the responsibility for such abuses, if any existed, was to address a series of inquiries to a portion of the memorialists, officers of the Road, and others who might be supposed to be most familiar with the management of the Road.

The persons to whom such inquiries were addressed, are Thos. Webb, President of the Road, Edmund Wilkes, Superintendent, Hon. Nathaniel Boyden, former President, Geo. W. Mordecai, Wm. A. Caldwell, James G. Moore, Storekeeper, and sundry others, whose statements, so far as the Committee deem them important in throwing light on "alleged abuses," or "the condition and management of the Road," will appear in the course of this report.

As some of these inquiries and answers relate to matters in regard to which the information obtained by your Committee, is not of a character to render them of any importance to the public, and others relate to matters, probably of importance to the public, but in regard to which the Committee, for want of time to pursue them far enough, to arrive at or warrant any definite conclusion, they have determined not to give them entire; but only such parts of them as they deem important, as bearing upon the points embraced in this report.

Your Committee were closely occupied from the 8th day of January last, up to the meeting of the present session of

the General Assembly, but did not there cease. Having as above set forth, eliminated various matters which they regarded it as both their duty and the interest of the State, that they should pursue further, and having been authorized early in the present session to administer oaths, they have had sundry persons before them here, and been diligently prosecuting their inquiries till the advanced stage of the session admonishes them now to report, without being able to push many of the subjects of inquiry to definite results.

The Resolution under which they were appointed seems to impose upon them the following four distinct duties, viz:

1st. "To examine the books" of the Company.

2nd. "To enquire into alleged abuses."

3rd. "To enquire into the general management of the Road." And

4th. "To inquire into the condition of the Road."

As to the first: they only examined the books as to points which arose in pursuing inquiries arising under one of the other heads, for the reason that to enter into a sufficiently minute examination of the whole multitude of the books of the Company, to arrive at any definite results, would have required more time than the Committee had to devote to the entire investigation.

On the second head, of "alleged abuses," your Committee are satisfied that gross abuses exist and have probably existed from the commencement of the road. And what renders the speedy correction of these abuses the more important, is the fact, that, under the Regulations and By-Laws of the Company, which, so far as your Committee have been able to learn, have existed from the time the road first went into operation, it is almost, if not altogether impossible to fix the responsibility for many instances of bad management or "abuse," on any particular individual, as the responsible party. To explain what your Committee mean by this statement, they would refer to the report of the Finance Committee of the road contained in the printed report of the proceedings of the 17th annual meeting of the stockholders of road, held July 12th, 1866, wherein the receipts of the preceding fiscal year are stated at \$939,675.53 and the amounts disbursed during

the same year at \$948,240,52, leaving a balance against the Company for that year, of only \$8,564,99, and yet they learn that since the date of that report more than \$300,000 of claims have come against the Company, for previous years, and the larger part of them for that identical year, and which were not embraced in that report, for the obvious reason that the books of the company contained no account of the contracts or obligations on which those liabilities were founded, till they were presented, some time since the report alluded to. The consequence of those outstanding contracts of which the books of the company contain no account, is that the financial condition of the company never has been and never can be exactly ascertained, untill contracts in order to bind the company are required to be entered on the books of the company. The indebtedness of the company, so far as your committee have been able to ascertain, which for the reasons above set forth is probably much under the entire amount, is as follows, viz :

Bonded debt created March, 1857, and due	
March, 1867,	\$339,000 00
Coupons due on same,	34,640 00
Dividends prior to 1860,	976 00
Bills payable,	47,381 32
Temporary Loan,	182,427 02
Pay Rolls to November 30, 1866,	33 112 90
Of this amount about \$4,500 is due for previous	
years.	
Individual accounts (about one-half for former	
years,)	20,244 30
Other Companies,	9,856 22
	<hr/>
	\$667,637 76

To the foregoing is to be added bonds for negro hire for the years, 1864-'65, to the amount of \$88,530 67, (in Confederate currency.) To accurately estimate the amount to be paid on these bonds for negro hire, your committee have no data upon which they can rely. They have been simply in-

formed, that up to about September last, it was the custom to pay \$100 for common hands, and \$125 for mechanics. Since that time \$80 for common hands and \$100 for mechanics; but how many hands or of what character, for the hire of whom the foregoing bonds were given, your committee are not advised. And of the amount of outstanding claims, both notes and accounts yet to be presented and paid, it is impossible for your committee to form even a conjecture in the face of such precedents, as is presented by past practice. For example, the company hired various slaves of Dr. C. J. Freeland for the years of 1863-'64. for which they executed to him bonds of the company; they also hired of him slaves for the year 1865, for which no bond was given. These bonds it seems, were paid off in January, 1865, and an account for three and a half months hire for the year 1865, was paid off in October of that year, and nothing said up to that date, so far as your Committee are advised, of any further account against the Company. Yet, in the spring of 1866, as it seems, Dr. Freeland presents an account against the Company for \$418,00 for medical attendance on these slaves while hired to the Company, and for the hire of which he had, some time previously, received the money, without then mentioning any thing of his claim for medical attendance. This account was favorably endorsed by E. Wilkes, Eng. and Supt., and Dr. Freeland received \$200,00 on it, June 14th, 1866. For said account, see exhibit marked (1.)

It will be perceived, that in the statement of the indebtedness of the Company, which showing is to December 1st, 1866, of the amount due on pay rolls, about \$45,000 is due for former years. How due, or to whom, your Committee are unable to say; but they are informed by President Webb, that it is the habit of the Company to pay the officers quarterly and the hands monthly, and yet, that Mr. Young, Agent at Concord, and Mr. Scott, former Agent at Charlotte, retained one of them two, the other one draft for a quarter's pay, in time of the war, till since the surrender, and presented them for payment, against which he protested. But their claims were finally brought before the Board of Directors and allowed against his earnest protestations. The evils arising

from the multitude of persons permitted by the present regulations of the Company, to make contracts binding the Company, of which the books make no showing, do not stop with the fact that it is impossible, at any given time, to determine its precise pecuniary condition, but these liabilities, the presentation of demands, founded on which it is impossible to foresee, may be brought forward at a time wholly unexpected and when no arrangements have been made to meet them. Your Committee find, whether from this cause or not, they are unable to say, that on the 6th day of August last, President Webb negotiated a loan in New York, for the sum of \$50,000, on thirty and ninety days time, at one and a half per cent. per month, to meet, as he alleges, pressing demands that would admit of no delay. The policy of negotiating a loan at such a rate of interest, if unnecessary, or the straits to which the road must have been reduced to render it necessary, needs no remark from us.

If anything further were wanted to illustrate the loose manner in which the affairs of the Company are managed, and the total want of any system of restraint, on the action of many of the officials on the road, it could be found in the management of the Company's Store at the Shops, in charge of James G. Moore, who, we believe, has had charge of it nearly, if not quite, from the time the road went into operation.

This Mr. Moore, himself informs your Committee, that until a very recent date, he kept no account whatever, of the amount or value of the stores which came into his hands, and that he could form no estimate of their amount or value, except by mere "guess work." And again, in the distribution of those stores; when sent out on any part of the road, a bill was sent with or followed them to their destination, and a margin was retained, showing merely that a given amount of stores had been shipped to an agent at a particular point on the road, but no receipt or voucher ever taken, or returned, or expected, from the agent to whom the goods were shipped. And yet, when your Committee indicated a little surprise that the store should have been managed in so loose a way. Mr. Moore entered into an argument, to show the futility of any attempt at a system of checks on him, saying that "a

great many things came into the hands of the Company during and after the close of the war, without any exhibit of the purchase by the Company, and with the possession of which, he (Mr. Moore) could never have been fixed, by reason of which, any system of checks or accountability that could have been established, would have been rendered wholly inefficient." Of the amount of stores which have annually passed through the store, of course, when the store keeper, Mr. Moore, can give no approximate estimates, your Committee cannot state with confidence; but they have met with no one who has estimated it at less than fifty thousand dollars, (\$50,000.) An amount of value, which, passing through the hands of one not interested in its proper and honest application, and not responsible for his disposition of it, presents a greater temptation than the honesty and moral integrity of any one should be subjected to. Your Committee, however, deem it their duty to state, before quitting this branch of the subject, that Mr. Moore informed them, that he was directed, in November last, by President Webb and Superintendent Wilkes, to take an inventory of the amount of stores on hand and charge himself with the amount, and from that time forth "break bulk," weigh and measure every thing which came into his hands, and also keep an account of his disposition of the goods; which has been done since the 1st of December last.

As the bulk of these stores consist of supplies for the Shops and the road, it occurred to your Committee that the Master Machinist, if properly qualified to perform all his duties, would be better able to determine what supplies were needed at the Shops and the various points on the road, than any other person could be, and could distribute them in a more judicious manner, according to the various demands of the Shops and the different points on the road, than any other person. With a view to this, your Committee inquired of the Master Machinist, Mr. Wade, who now has a clerk, whether he could not, without additional clerical force, receive and distribute these supplies. They were informed by him, that if he had a store room near his office, in which to place them, he could receive and dispose of all these stores

without much additional trouble, except the supplies which are appropriated in rationing such employees of the road as are rationed by the Company.

Your Committee are pleased to know that movements toward providing against a recurrence of some of the abuses which have hitherto existed on the road, have recently been made, which movements are in part, as they believe, if not wholly, due to the diligence in performing their duty, by the present Financial Committee of the road.

The Board of Directors on the 12th day of December last, passed the following resolution :

“Resolved, That no contract shall be made or debt contracted by any officer of the Company, unless the same shall be authorized and approved by the President or Board of Directors.”

It might, perhaps, have been well for the above order to have gone further, and prescribed that all contracts for more than a given amount, say \$500, sanctioned by the Board of Directors, before it should have any binding force, as is the case on some of the roads of the country. But the above recited order, if strictly adhered to, will probably put a stop to the making of many unwise contracts, and fix the responsibility for such as are made in the future, as well as furnish the means of determining the liabilities of the Company on contracts hereafter entered into.

In this connection, the Committee take occasion to mention a land tract, which they regard as of too dubious a character to be passed over in silence. They allude to a tract in the county of Guilford, purchased by Superintendent Wilkes, of James G. Moore, or P. H. Bilbro, for the North Carolina Road. For the particulars of this transaction, they would refer to the testimony of Messrs. Bilbro & Strickland herewith appended, marked “2” and “3.” From the testimony of Mr. Bilbro, it will appear that he sold to James G. Moore, a house and lot, some time in the year 1862, for the sum of \$1200. This house and lot, we understand, is situated in the town of Greensboro’. He owned a tract of land of one hundred and five acres, near Bilbro’s Turnout, in Guilford county, which he offered to the North Carolina Rail Road Company,

in October or November, 1865, for one thousand dollars, while he would have taken seven hundred and fifty. The offer was made, according to his testimony, by Jas. Anderson, Section Master, for him, to Messrs. Wilkes and Strickland. They declined to buy at the time. The land, he thinks, was assessed for taxes at \$300. Subsequently a proposition was made by Mr. Bilbro to Mr. Moore, to exchange the house and lot which Mr. Moore had formerly purchased of Mr. Bilbro, for the tract of land, to which Mr. Moore assented, provided he could sell the land, for such price as he was willing to take for his house and lot. Soon after, Mr. Strickland was sent up to view the land, and after his return, Mr. Moore sent to Mr. Bilbro his clerk, Mr. Crutchfield, with a deed signed by him (Mr. Moore) for the house and lot, and a deed to be signed by Mr. Bilbro to the North Carolina Rail Road Company for the land, which was signed accordingly; each deed reciting a consideration of \$2300. This transaction occurred on the 16th day of April, 1866. This sum of \$2300, we learn from Mr. Moore, was secured to him by the bond or bonds of the Company, executed to him by Mr. Wilkes for that amount. It will be seen that Mr. Strickland denies any knowledge of any previous offer of the land to the Company, at any price. He states that he went up at the instance of Mr. Wilkes. "to see how much wood there was on the land," and came to the conclusion, that if cut and hauled to the road side, it would be worth some \$3,000 or \$4,000, and his impressions are that such was his report to Mr. Wilkes. His estimates were based on the supposition that there were about 70 acres of the land wooded, that it would yield about 35 cords of wood per acre; that the wood was worth about \$2 per cord at the road side, and that it would cost about \$1,30 per cord to cut and haul it there. A very simple calculation from these estimates, ought to have shown Messrs. Wilkes and Strickland that the sum thus obtained would fall considerably short of the sum paid for the land. Seventy acres, at thirty-five cords per acre, would yield 2,450 cords. This multiplied by seventy cents, the difference between \$2, the estimated value of the wood at the road side, and \$1,30, the estimated cost of cutting and hauling it there, gives \$1,715 as

the entire value of the wood on this land, a sum short of the price paid for the land by \$585, more than Mr. Bilbro thinks the land, with the wood on it, was assessed at for taxation, by \$285. For another estimate of the value of the land and the wood on it, the Committee refer to the annexed paper, marked (3.) This will be seen to differ very widely from that of Mr. Strickland.

Your Committee would further state, that one of their members informs them that he interrogated Mr. Wilkes in regard to this trade in last month, before the Committee in a body had had an interview with him, when he, Mr. Wilkes, stated that the Company had not purchased the land in question. One of the Directors stated to the Committee, that Mr. Wilkes at one time made the same statement to the Directors. And when, subsequently, the Committee interrogated him on the subject, he could give them no definite information in regard to the date of the transaction, till he called on Mr. Moore, who it seems, had kept possession of the deed from its date, the 16th day of April last, to that time; while the Secretary, Mr. Stagg, is in general, the custodian of such papers belonging to the Company. Mr. Moore explained the custody of this deed, by the fact that his clerk was witness to it, and it had been retained to await a convenient opportunity for registration. Your Committee, before closing the remarks upon this transaction, deem it due to Mr. Wilkes to state, that he denies that this land was ever offered to him at a less price than he paid for it. He further states that the Company was at that time paying from \$3 to \$4 per cord for wood in that vicinity. If such were the facts, why it is that his agent, Mr. Strickland, should have adopted \$2 as the basis of his estimates upon which Mr. Wilkes acted, is a problem that we do not feel ourselves called upon to solve.

The Committee would call your attention to another transaction which they regard in a very dubious light. In September, 1865, the late lamented Gov. Morehead shipped on the North Carolina Rail Road at Greensboro, a quantity of cotton yarns, consigned to Blossom Brothers, New York. On the night of the 24th of September, 1865, a car load of these yarns, amounting to 12,500 pounds was consumed at

Raleigh, before they had passed out of the control of the North Carolina Rail Road Company.

The Board of Directors of the Road on the 27th day of the same month, made the following order, viz :

“Ordered, That Gov. Morehead be paid for one car of cotton yarn, burned recently at Raleigh Station, at the same rates his other yarns nett him, which were shipped on or about the same time.”

But before the Rail Road Company had made the payment directed in this order, the Atlantic & Mutual Insurance Company came forward promptly, and paid off Gov. Morehead's demand. The matter rested so till April 1866, when one James Parker, Agent for the Insurance Company, came out to North Carolina, called on Mr. Wilkes, and received from him on the 21st day of that month 61 cents per pound for the yarns, amounting to

\$ 7,625 00

And as interest from 7th of November, 1865,

208 41

Amounting in all to

\$ 7,833 41

Your Committee are not disposed to enter into the discussion of the legal question, as to whether the Rail Road Company was bound to the Insurance Company for the value of these yarns, further than to suggest, that, if so, they are at a loss to perceive why any one should be at the expense of insuring any goods which are shipped by Rail Road. It seems from the affidavit of Mr. A. M. McPheeters, hereto appended, marked (4.) that it was the custom of the Company at that time, to take a release of all parties shipping over the Road from responsibility by fire, and that Mr. Wilkes, on the morning after the burning of the yarns, was disposed to lay much stress on the question, whether such release had been taken in this instance or not, and that later in the day, he learned it had not been done. He might have added that the Road had given no receipt for the yarns. Your Committee have a copy of a letter from Gov. Morehead to Mr. McPheeters in regard to this matter, dated October 2d, 1865, from which the following is an extract :

“I have no receipt from the Rail Road for the goods, nor have I given any release, I was unable at the time and got Mr. Coleman to attend to loading the cars, and go with them to Raleigh, and no receipt was taken or given.”

The statements of the President of the Insurance Company to Mr. McPheeters, tend to show that he had little confidence in securing anything like the entire value of the yarns. It will be perceived that Mr. McPheeters declares, that he informed Mr. Wilkes that a favorable compromise could be effected. This Mr. Wilkes denies. See affidavit appended marked 5.

Your Committee, understanding that great abuses are believed to exist in the dead-head system of the Road, entered into an inquiry in regard to this matter, and find that the following persons are permitted to pass over the Road free of charge, by order of the Board of Directors, viz :

“Governor of the State, Secretary of State, Treasurer and Comptroller, State Geologist, Adjutant General, Officers of connecting Roads, Officers of other Roads who extend passes to Officers of the North Carolina Road, Board of Internal Improvements and Literary Board, United States Tax Officers, with whom the Road has business, Federal Officers in command and their Staff, Employees of the Company in moderation, Employees of other Roads on the business of their Companies, where such Companies extend the same courtesy to the Employees of the North Carolina Road, Commissioners of the Sinking Fund, General Agent of each Christian denomination in the State, and persons in absolute charity.”

In addition to the foregoing classes fixed by the Board of Directors, we were informed that certain other parties, as Express and Telegraph men, and renter of the Company's Hotel, are accustomed to pass over the Road free, under special contract. For details we were referred by President Webb to Superintendent Wilkes, to whom your Committee addressed the following note :

COMPANY SHOPS, Jan. 19th, 1867.

E. WILKES, Esq. :

Dear Sir:

The Committee to examine into the condition, &c., of the North Carolina R. R., ask you to please give them information as to how many Dead-heads there are on the Road. How many there are of each of the several classes. How many and what classes have the liberty of carrying their families; the number of miles traveled by Dead-heads, within such period as your knowledge extends to, and how much revenue this travel would have made for the Road had it been paying travel?

Very Respectfully,

M. S. ROBINS, Ch'm.

Mr. Wilkes afterwards verbally informed your Committee, that it would take some time to prepare a full and complete statement, but he had it in the course of preparation, and it should be forthcoming at least by the 1st Thursday of your present session. This was awaited as a basis for further examination into particular instances of alleged abuses, till the 13th inst., when the Chairman was directed to address Mr. Wilkes a note, requesting him to hurry forward the statement at once. In reply, your Committee received a note from Mr. Webb, saying that Mr. Wilkes had been absent about three weeks, and inclosing the annexed statement marked (6.) This statement does not embrace the entire information asked for, but it is probable that Mr. Webb was not advised of the exact nature and extent of the inquiry. Why the estimate of the amount of revenue which these Dead-heads would have yielded to the Road, had they paid regular fare, is made at $2\frac{1}{2}$ cents per mile in this statement, while the rate of fare on the Road has never, since the surrender, been less than 5 cents per mile, they are at a loss to perceive. That it is proper to permit some persons to pass over a Road without paying fare under certain circumstances, they suppose, will not be questioned; but as to whether it has been restrained within proper bounds on this Road during the period to which this statement refers, your Com-

mittee by the late arrival and meager details of the statement, have been prevented from obtaining any information further than any one can obtain from the statement itself.

There is still another unfortunate transaction to which your Committee regard it as their duty to refer. They allude to certain transactions of one Charles Parmenter by which, first and last, he ran up an account against the Company with Fowle & Co., of New York to the amount of \$10,835,79, of which amount he never accounted to the Company for but \$1,783,14, leaving a balance unaccounted for of \$9,052,65. From which, had he accounted properly, there would have been to be deducted something for his expenses and time. For particulars see the annexed copies of the accounts marked (7) and (8.)

Aggregate of No. 7,	\$ 8,963 13
Aggregate of No. 8,	1,572 66
To this add,	300 00
	<hr/>
	\$ 10,835 79

This \$300 consists of two items in a long account current of Fowle & Co., with the North Carolina Road, dated Nov. 30th, 1866. For his credits see annexed Account, marked (9.)

The facts in regard to this unfortunate transaction, your Committee understand to be these: In the latter part of August, 1865, in the language of Mr. Wilkes, he "gave Mr. Parmenter leave of absence to go North for six weeks." "In going," he says, "he gave him a letter of credit to be used in the purchase of some material, which the Road was immediately in want of. It was a full one owing to their want of credit at that time." That it was a full one is undoubtedly true. For a copy see annexed paper marked (10.) And what makes the giving so full a letter of credit to Mr. Parmenter by Mr. Wilkes, seem strange to your Committee, is the fact, that Mr. Wilkes, in one of his talks with them before the giving of this full letter of credit to Mr. Parmenter had been spoken of, expressed his surprise that Mr. Boyden should have made him Agent of the Company in New York;

and entrusted him with the control of funds of the Company, when he, Mr. Wilkes, knew Mr. Parmenter to be one of the best engineers he ever saw, but at the same time to have no knowledge of the value of money. Mr. Boyden, they learn, did meet with Mr. Parmenter in New York, where he had gone with Mr. Wilkes's letter of credit in his pocket, and called on him to select for him a fire engine and hose, which he desired to purchase for the Shops; Mr. Boyden, as he states, having no skill or experience in such matters. Mr. Boyden further states that he gave Parmenter a check on funds he had deposited with Riggs & Co., for \$1200, with which to pay for the engine and hose, and that this is the only sum of money he ever authorized Mr. Parmenter to handle, and he had no idea at that time that Parmenter had any authority to receive a dollar of the Company's money from Fowle & Co., and supposed he never drew a dollar, for any purpose without an order from Mr. Wilkes, specifying the purpose and application.

Mr. Boyden further stated to your Committee, that he called into requisition the services of Mr. Parmenter in negotiating for the purchase of a Locomotive for the Road of a firm in New Jersey, and also to determine the adaptation to the wants of the Road of a quantity of iron which he, Mr. Boyden, had contracted for on condition, that Parmenter should decide that it would suit the purpose for which it was wanted; but that in neither of these transactions was Parmenter authorized to handle a dollar of money. These transactions all turned out, says Mr. Boyden, to be advantageous to the interests of the Company, except the purchase of the iron, which was confirmed on the judgment of Parmenter, as had been previously agreed on; but subsequently decided to be too light by Mr. Wilkes, and re-sold at a loss of some thousands to the Company. Beyond these transactions, Mr. Boyden says, Mr. Parmenter never had any authority from him. They have already stated that Mr. Wilkes gives as a reason for furnishing Parmenter with the letter of credit, that it was "to be used in the purchase of some material that the Road was in immediate want of." Yet it will appear from the first and only account presented by Parmenter, a

copy of which is hereunto appended marked (9,) that the first payment he made to meet the "immediate wants of the Company," was not till October 2d, after his departure in the latter part of August.

Again, the reason assigned by Mr. Wilkes for making the letter of credit to Parmenter a full one, that it "was owing to the Company's want of credit at the time," is at least, a novel one in financiering. Your Committee do not well comprehend the charm, by which, an offer to use one's credit to its utmost capacity, is calculated to elevate and improve it. It is perhaps due to Mr. Wilkes, to state, that he says that he had had an interview with Mr. Rice, of the firm of Fowle & Co., with whom Parmenter made the accounts against the Company in May, 1866, that at that interview, Mr. Rice expressed a desire to have the services of Parmenter, to which Mr. Wilkes assented, and notified Parmenter of the fact, and thought no more of him or his doings, till in July following, when the first of these accounts current, run up by Parmenter, came to hand, which struck him with astonishment; and he went to work assiduously to get Parmenter to return and settle; all which efforts have proved unavailing.

The committee deem it due to Mr. Wilkes to state, that there is one consideration which may excuse some mistakes on his part. While they have no positive evidence of the fact, it seems to be generally conceded, so far as they know, that when Mr. Boyden accepted the Presidency of the road, he did it with the general understanding, that he would not devote a very large portion of his time to the interests of the road. However that may be, very many of the duties commonly performed by the President, were devolved on Mr. Wilkes, which, together with the duties peculiarly belonging to his position of engineer and superintendent, in the condition in which he found the road when he took charge of it, were sufficiently onerous to render some mistakes to be expected.

Among the various matters connected with the interests of the road, to which your committee have directed their attention, the management of the sinking fund has had a share.— The only subject in connection with this fund which has spe-

cially a rested their attention, is the exchange of the "old," or ante-war North Carolina bonds for "new," or "war bonds." The committee of the sinking fund, in their report to the stockholders' meeting of July 9th, 1863, showed that there was then belonging to the fund \$100,000 in "old sixes." On the journal of the Board of Directors of that day, the following record occurs: "Mr. Mebane moved that Messrs. Davis, Mendenhall and Flanner be appointed committee on sinking fund. Agreed to."

"Mr. Mebane moved that said committee be authorized to convert the old sixes North Carolina Bonds into new sixes as occasion may offer."

Under the operation of the foregoing order, the amount of "old sixes" was reduced by the July meeting, 1864, to \$58,000. What became of \$10,000 of this \$58,000, your committee are not advised, but of the disposition of the other \$48,000, they have ascertained the following: George W. Swepson in the latter part of the summer or early part of Fall of 1864, contracted with the sinking fund committee to exchange them new bonds for the old to the amount of \$25,000 of the old, he giving them two of the new for one of the old. They stipulating to give him time to procure the new bonds. These it appears were procured and the exchange made, in the latter part of November or first of December 1864, when there remained in the hands of the committee \$23,000 of "old sixes," unexchanged.

Mr. Swepson then contracted with Messrs. Davis and Mendenhall of the Committee for this \$23,000, upon the same terms as before, with a like stipulation as to the time to procure the new bonds. On the 12th day of January, 1865, the Board of Directors made the following order, viz: "Ordered further, that said Commissioners (i. e. Commissioners of the Sinking Fund) be requested and directed to dispose of no old six per cent. bonds of the State, unless in exchange for the eight per cent. bonds of the Company."

Upon the passage of this order, the Secretary, Mr. Staggs, forwarded a copy of it to each of the Commissioners. The contract with Mr. Swepson had not yet been executed by delivery, and in an interview soon after, between Messrs. Swep-

son and Mendenhall, the latter *expressed* great reluctance in ratifying the contract, but was ultimately *prevailed* on to do so. And none of the old bonds were delivered to Swepson, and, perhaps, very few, if any, of the new ones to Mr. Mendenhall, who at this time was the custodian of the bonds till after General Johnson's surrender, when the new bonds had become almost worthless in the judgment of most persons, and wholly so in fact. Mr. Swepson states that he purchased some of these new bonds, he thinks about \$30,00, after the surrender. For the evidence on which these statements are based, see the annexed paper marked (11.) In a verbal statement to the Committee, Mr. Swepson informed them that he purchased the new bonds to meet the demands for this exchange of Branch & Sons, Petersburg, Virginia, but subsequently he stated to them that, on reflection, he remembered, that soon after the surrender, fearing that if he did not deliver the new bonds at once, he might lose the opportunity of exchange altogether, he borrowed of Hon. R. Y. McAden the new bonds, which Mr. McAden was unwilling to sell for such prices as he, Mr. Swepson, could buy other new bonds, for the reason that Mr. McAden then deemed it probable, that these new bonds would be scaled according to the date of their issue, and the bonds which he owned and loaned to Mr. Swepson were issued in the early part of the war. Mr. Swepson said that he took the new bonds thus borrowed and delivered them to Mr. Mendenhall, in pledge for other new bonds which he purposed to buy, and received of Mr. Mendenhall the old bonds: that he, Mr. Swepson, subsequently purchased of Branch & Sons, Petersburg, Virginia, new bonds at \$30 or \$33 per 1,000, in gold, which he gave to Mr. Mendenhall in exchange for the bonds borrowed of Mr. McAden. The reason why your Committee have only the verbal statements of Mr. Swepson in regard to these last stated facts, is that Mr. Swepson alleged that he was then unable to give dates and amounts, which he had data at home that would enable him to fix with more certainty. The Committee requested him to return to Raleigh as soon as practicable, with these data, and give them the additional information. They awaited his return till the 12th inst., when they instructed

their Chairman to address him a note requesting him to appear before them with these facts on the next day, if possible, and if he could not appear on that day, to do so as soon thereafter as possible. The letter was written accordingly, but he has failed to appear to this date. Your Committee have before them a letter from Branch & Sons, Petersburg, Virginia, stating that Mr. Swepson, in June, 1865, bought of them \$44,000 of new bonds at \$30 in gold per thousand, which, they take it, are the new bonds bought in accordance with this verbal statement by Mr. Swepson, and which he delivered to Mr. Mendenhall in exchange for the old bonds of the Company.

Appended hereto will be found Mr. Mendenhall's testimony in regard to this remarkable transaction, marked (1.) We append this testimony, more to show the remarkable obviousness of Mr. Mendenhall, in regard to this transaction, in which he was one of the principal actors, and against which he is represented by Mr. Swepson as protesting so earnestly in January, 1865, than from any light which it throws on the transaction itself. Viewed in any light in which your Committee have been able to place it, it seems to them wholly without excuse. Whatever may be said of the binding force of the contract in January, 1865, after the order of the Board of Directors on the 12th day of that month, on the grounds that Mr. Swepson was to have time to procure the new bonds, and that the contract was made before the order of the Board to discontinue further exchanges, it seems to your Committee that a reasonable time had elapsed long before the surrender, and that to complete the contract after that event was simply equivalent to making a gratuitous donation of the amount of the Company's funds, represented by \$23,000 of old bonds.

Your Committee made inquiries of various Rail Road officials, and persons who they had reason to believe were familiar with the past history of the North Carolina Road, in regard to the controlling influence on the Road, and were uniformly informed, that the Directors, on the part of the State, and the Stockholders had always got along harmoniously, and never divided, as such, except in the single instance of the election of Hon. Nathaniel Boyden, President :

that all the Presidents of the Road, except Nathaniel Boyden and Paul Cameron, had been elected Directors by the Stockholders: and that uniform harmony has always existed between the various Presidents of the Road and the Directory, in regard to the policy of the Road.

In regard to the condition of the Road, the last branch of inquiry imposed upon your Committee, they have nothing to add to what they have already said, so far as its financial condition is concerned. In other respects, they deem it their duty to remark that they passed over the whole of it lying west of Raleigh since your adjournment on the 24th of December last, and find it in a very good condition—such as to merit the patronage of those who may desire to pass or have freight transported over the country it traverses. Indeed, in the opinion of such of your Committee as have been accustomed to travel on it frequently, its condition was never better. It is a subject of some congratulation, that, amidst the profuse expenditure of money which has characterized the management of the Road, for a considerable portion of the time since the close of the war, the Road has come in for a considerable share, which it so much needed.

In conclusion, your Committee beg leave to say, that they have had under consideration various subjects, to which they have made no allusion in this report; amongst others, the disposition of cotton which had been bought by the Company during the war, large amounts of property that came into their possession about the time of the surrender, and various alleged speculations made about and before that time, and have taken some testimony in regard thereto; but the complex nature of these transactions, and the limited time within which your Committee were required to report, have prevented them from arriving at a conclusion sufficiently definite and decisive to warrant them in reporting upon them. They deemed it their duty to make these statements, and leave it to the wisdom of the General Assembly to determine whether the investigation shall now cease, or be continued by the present Committee, or entrusted in the future

to other and abler hands. All which is respectfully submitted.

M S. ROBINS, Chairman,
PETER ADAMS,
H. M. WAUGH,
C. F. LOWE.

STATEMENT (I)

To G. J. Fernald for Medical Services

Jan 20	To visit and medicine for Henry Fernald	2.50
Feb 11	" " " " " "	2.00
Mar 5	" " " " " "	2.00
Apr 8	" " " " " "	2.00
May 2	" " " " " "	2.00
June 8	" " " " " "	2.00
July 19	" " " " " "	2.00
		12.00

I certify this is correct

Signed

G. J. FERNALD, M.D.

Correct

E. W. Fernald, Esq. and Sup.

To G. J. Fernald for Medical Services

May 20	To visit and medicine for Henry Fernald	3.00
June 1	" " " " " "	2.00
June 2	" " " " " "	2.00
June 3	" " " " " "	2.00
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STATEMENT (1.)

N. C. R. R. Co., Dr.

To C. J. Freeland, for Medical Services.

[illegible]

I certify this is correct.

Signed,

C. J. FREELAND, M. D.

Correct,

E. WILKES, Eng. and Sup.

N. C. R. R. Co., Dr.

To C. J. Freeland, for Medical Services.

1863.						
May	20	To visit and medicine,	Henry Strayhorn,	\$	3	00
"	22	"	"	"	"	3 00
"	23	"	"	"	"	3 00
"	24	2	"	"	"	6 00
"	25	1	"	"	"	3 00
"	26	"	"	"	"	3 00
"	27	"	"	"	"	3 00
"	28	"	"	"	"	3 00
"	29	"	"	Boy Ben,		3 00
"	30	"	"	" Jerry,		3 00
June	1	"	"	"	"	3 00
"	2	"	"	"	"	3 00
"	3	"	"	"	"	3 00
"	4	"	"	"	"	3 00
"	5	"	"	"	"	3 00

STATEMENT (1) CONTINUED.

N. C. R. R. Co., Dr.

To C. J. Freeland, for Medical Services.

1863						
June 6	To visit and medicine, Boy Jerry,					3 00
" 7	" " " " "					3 00
" 8	" " " " "					3 00
" 9	" " " " "					3 00
" 10	" " " " "					3 00
" 11	" " " " "					3 00
" 12	" " " " Jim Strayhorn,					3 00
" 13	" " " " "					3 00
" 14	" " " " "					3 00
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Nov. 2	" " " " "					3 00
" 3	" " " " "					3 00
" 4	" " " " "					3 00
" 5	" " " " "					3 00
" 6	" " " " "					3 00
						\$114 00

Correct,

E. WILKES, Eng. and Supt.

N. C. R. R. Co., Dr.

To C. J. Freeland, for Medical Services.

July 31	From March 8 to April 2, services rendered John, of Gibson Section,	\$ 72 00
	To August 10, for services rendered day and night, 2 boys, John and Squire, Gibson's section,	100 00
1864		
Aug. 20	To 27 M. for services rendered boy Stoner, Mebane's section,	21 00

STATEMENT (1) CONTINUED.

N. C. R. R. Co., Dr.

To C. J. Freeland, for Medical Services,

1863								
June	2	To visit and medicine given	Eli,				\$	3 00
"	3	"	"	"	"	boy Jacob,		3 00
"	18	"	"	"	"	" Noah,		3 00
"	20	"	"	"	"	"		3 00
"	26	"	"	"	"	"		3 00
"	28	"	"	"	"	"		3 00
Feb'y	25	"	"	"	"	" Ben		3 00
"	27	"	"	"	"	"		3 00
March	18	"	"	"	"	" Eli,		3 00
"	19	"	"	"	"	"		3 00
"	21	"	"	"	"	"		3 00
"	22	"	"	"	"	"		3 00
"	23	"	"	"	John, Garrett and	Eli,		9 00
"	25	"	"	"	"	"		9 00
"	26	"	"	"	"	"		9 00
April	22	"	"	"		Isaac,		3 00
Sept.	4	"	"	"	Garrett and	Eli,		3 00
"	5	"	"	"	"	"		3 00
"	13	"	"	"	"	"		3 00
"	14	"	"	"	"	"		3 00
"	16	"	"	"	"	"		3 00
"	17	"	"	"	"	"		3 00
"	19	"	"	"	"	"		3 00
"	21	"	"	"	"	"		3 00

RECAPITULATION.

1863	Amount brought forward,	\$	90 00
"	"		21 00
"	"		114 00
1864	"		72 00
"	"		100 00
"	"		21 00

June 14	By cash,	418 00
		200 00
		<hr/>
		\$218 00

STATEMENT 2.

In the case of investigation of North Carolina Rail Road, P. H. Bilbrow testifies as follows, to-wit :

What did you get for the lot you sold Moore, in May, 1862?

Ans. I got twelve hundred dollars.

What was the lowest price you would have taken for the land?

Ans. I offered it to the Rail Road Company at one thousand.

What was the least you would have taken in cash?

Ans. I would have taken seven hundred and fifty dollars.

To whom did you offer the land?

Ans. I authorized James Anderson, Section Master, to sell it to Mr. Wilkes and Strickland for one thousand dollars—they told him they had declined buying, so he informed me.

When was that?

Ans. October or November, 1865.

What was the land assessed at for taxes?

Ans. I think at three hundred dollars, (\$300.)

How many acres of land in the tract?

Ans. One hundred and five.

Did you ever offer the land to Mr. Wilkes?

Ans. I did in 1865, on October 10th, but stated no price, but after that I got Anderson, as before stated, to sell to E. Wilkes at one thousand dollars.

Did you ever offer land to J. G. Moore. If so, when and how?

Ans. After Mr. Wilkes refused to buy I offered to give Mr. Moore a deed for the one hundred and five acres for his lot which he had purchased of me. Mr. Moore's reply was that if he could sell the land for as much as he asked for his lot, he would trade. After this, Mr. Strickland, Road Master, was sent up to view the land. He went back on the 16th day of April, 1866. Mr. Moore sent up to me, by F. G. Crutchfield, an employee of the Company, a deed made to the North Carolina Rail Road, for the one hundred and five acres of land, the amount stated in the deed, two thousand three hundred dollars. I signed the deed and Crutchfield sent it back to

Mr. Moore. Mr. Moore having at the same and by the same person, a deed for the house and lot—price the same as that for the land. I never received one dollar besides the deed for the lot, on the sale of land; do not know what arrangement Mr. Moore made with Company.

Sworn to before me this 4th day of February, 1867.

P. H. BILBRO.

PETER ADAMS, J. P.

EXHIBIT NO 3.

What do you know about the land trade between the North Carolina Rail Road Company and P. H. Bilbro, and the lands having been offered to the Company before?

I have no recollection of hearing anything of the land mentioned having ever been offered to the Company during the time that Mr T. J. Sumner was superintendent of the Road. I have no recollection of ever hearing Mr. Bilbro or any agent of his say anything about the value of the land or the price at which he would sell it, or anything about selling; and it is my best impression that I never did hear either Mr. Bilbro or any agent of his say anything about it, till about the time the trade was made in the Spring of 1866. I have no recollection of ever hearing any officer of the road, or any person connected with the road, say anything about the purchase of the land till within four or five weeks of the time that the trade was made, when Mr. Wilkes requested me to go up and look at the land and see how much wood there was on it. I went up there some four or five weeks afterwards and looked over the land, with James S. Kirkman, Section Master, and David Erwin, and we came to the conclusion that the wood on the land, if cut and hauled to the road, would be worth \$3,000 to \$4,000. I made no enquiry further, or in any other way as to the value of the land, and heard no opinion of its value expressed by any one, except what is above stated. I returned and reported to Mr. Wilkes, I suppose, though I have now no distinct recollection about it. My impression is

that I simply reported to him that the wood on the land was worth some three or four thousand dollars, but my impressions about this are very indistinct. My estimate of the value of the land was based on the fact that there was, as nearly as I recollect, about seventy acres of wood land. Land will yield from thirty to fifty cords of wood to the acre, which I estimated at two dollars per cord, when cut and placed at the road side, and the expense of cutting and placing it there, at about one dollar and thirty cents per cord. In my estimate, I calculated this land to yield about thirty-five cords of wood to the acre.

Sworn and subscribed to before the Committee, February 15th, 1867.

S. G. STRICKLAND.

M. S. ROBINS, *Chairman.*

STATEMENT—(3.)*

STATE OF NORTH CAROLINA,

GUILFORD COUNTY.

This day came Thomas Burton and Anual Edwards before me and made oath in due form of law, that they are well acquainted with the land sold to the North Carolina Rail Road. The tract sold by Moore as the Jim Edwards' Tract contains one hundred and five acres, and has not in wood land more than thirty acres; that they are satisfied that the whole thirty acres would not turn off more than six or seven hundred cords of wood; the latter is the largest quantity. They further state, that the land is worth, nor would sell for more than, four hundred dollars.

Sworn to before me this 19th February A. D., 1867.

THOMAS BURTON,
ANUAL EDWARDS.

PETER ADAMS, J. P.

I am well acquainted with the above gentlemen. They are good citizens and fully reliable.

PETER ADAMS.

STATEMENT—(4.)

Do you know any thing of the burning of any cotton yarn in Raleigh, belonging to Gov. Morehead, and shipped to Raleigh on the North Carolina Road?

Were the yarns insured? and if so, by what Company? And did the Company pay Gov. Morehead? And if so, were they re-imbursed by the North Carolina Rail Road Company? And state all you know about it.

Answer: Some time in 1865, I advertised, as Agent for Blossom Brothers in New York, that any goods shipped on any Rail Road, and consigned to Blossom Brothers, would be insured from the point of shipment, whether advertised or not. Soon after, as I was informed, Gov. Morehead came down to see me; I was absent, and my brother-in-law was acting in my absence; upon the information obtained, as I suppose, Gov. Morehead shipped on the North Carolina Rail Road two or three car loads of cotton, one of which was burned entirely up at the Station in Raleigh, about twelve o'clock at night. I went down next morning to get the facts as far as practicable, and Mr. Wilkes came down the Road in the morning, and met me at the depot. He said he would telegraph to Greensboro' to the Agent and ascertain whether the Agent had taken release from Gov. Morehead from liability by fire. He, subsequently, during the day informed me that the Agent had taken no release. Mr. Wilkes expressed the opinion then, that the Company was liable. Messrs. Blossom Brothers wrote me soon after, forwarding me the proper blanks from, the best of my recollection, the Atlantic Insurance Company, to have the proper evidence of the burning of the cotton yarns made out, which I attended to and forwarded, soon afterwards. I understand that Gov. Morehead was paid for the yarns by the Insurance Company. I went to New York in December following, 1865; there I called on the Blossom Brothers, and went over with one of them to the office of the Insurance Company. The President of the Insurance Company proposed to me to act as Agent of the Insurance Company in settling with the North Carolina Railroad for the burning of these yarns. I at first assented, and the Pres-

ident told me to settle upon the best terms I could get, and give the Rail Road Company as long a time as they might ask. But before leaving, I asked him to make some arrangement about my compensation, which the President declined to do, and I declined to have any thing further to do with the matter. I returned after a time to North Carolina, and some time in March, 1866, I received a letter from Blossom Brothers, informing me that a Mr. Parker was coming to North Carolina, as Agent of the Insurance Company, to look after this matter, and that he would call on me for aid. I saw Mr. Wilkes very soon thereafter, and communicated this fact to him, and told him that when Mr. Parker called on him, to send him to me, and, at all events, not to pay him the full value of the cotton yarns, as I was sure that a favorable compromise could be made and money saved to the Company, and that I could and would aid in effecting that object, as Mr. Parker had been directed to call on me, and no one else had the necessary facts to make out a case against the Rail Road Company, and no one else could get them, in the event that a case could be made against the Company, which I did not believe.

A. M. McPHEETERS.

Sworn to and subscribed before the Committee, January 24, 1867.

M. S. ROBINS, Chairman.

STATEMENT 5.

In regard to the car of cotton yarns belonging to Governor Morehead, burned at Raleigh, and paid for by the Atlantic Mutual Insurance Company, and subsequently paid for to the Insurance Company by the North Carolina Rail Road Company, no one ever suggested to me before settlement, that the matter could be compromised with advantage to the road, or

that the Rail Road Company could be relieved, in any way, from the payment of said cotton yarns, or any part thereof.

Sworn to and subscribed before the Committee.

E. WILKES.

M. S. ROBINS, *Chairman.*

STATEMENT 6.

Free Passengers passed over North Carolina Rail Road from July, 1865, to August, 1866.

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REPORT NO. —.

[Session

BY WHOM PASSED.	No. of Pass'gr's	No. of Miles.	Rate per Mile	Total amount.
E. Wilkes, Engineer and Superintendent, Thomas Webb, President,	642	40,660	2½	\$ 1,016 50
N. Boyden, President,	8	478	"	11 95
R. D. Wade, Master Mechanic,	18	2368	"	59 20
S. G. Strickland, Division Master,	1290	92,622	"	2,315 55
Eli W. Bull, Division Master,	504	29,112	"	727 80
W. H. Toy, Division Master,	180	12,882	"	322 05
W. P. Raiford, Division Master,	36	2,130	"	53 25
Charles Parmenter, Master Transportation,	98	7,926	"	198 15
R. H. Harvey, Master Transportation,	76	4,940	"	123 50
J. A. Wilson, Master Transportation,	304	19,760	"	494 00
D. M. Renno, Bridge Superintendent,	112	14,480	"	362 00
W. A. Dunn, Traveling Agent,	78	4,870	"	121 75
	40	2,130	"	53 25
	3,386	234,358		\$ 5,858 95

STATEMENT 6.—CONTINUED.

From August, 1866 to January, 1867.

BY WHOM PASSED.	No. of Pass'g'rs	No. of Miles.	Rate per Mile.	Total amount.
E. Wilkes, Engineer and Superintendent,	192	22,776	21½	\$ 569 40
Thomas Webb, President,	6	628	"	15 70
R. D. Wade, Master Mechanic,	408	52,224	"	1,305 60
S. G. Strickland, Division Master,	144	8,592	"	214 80
Eli W. Bull, Division Master,	288	12,096	"	302 40
W. H. Toy, Division Master,	120	6,240	"	156 00
W. P. Raiford, Division Master,	48	5,280	"	132 00
J. A. Wilson, Master Transportation,	216	19,728	"	493 20
D. M. Renno, Bridge Superintendent,	58	8,256	"	206 40
	1,480	135,820		\$ 3,395 50

STATEMENT 7.

CHARLES PARMENTER, Esq., in Account and Interest Account to June 1st, 1866, with FOWLE & Co.

1865.	To cash paid you,	\$	1865.	\$	
September 30,	" " "	20 92	September 5,	400	
October 31,	" " "	28 23	October 2,	600	
" " "	" " "	24 65	" 3,	525	80
" " "	" " "	41 65	" 6,	900	
" " "	" " "	6 12	" 7,	132	80
" " "	" " "	13 47	" 13,	300	
" " "	" " "	3 88	" 27,	91	50
" " "	" " "	16 65	" 30,	400	
November 30,	" " Braisted D. & Co.,	5 15	November 1,	125	
" " "	" " you,	14 70	" 24,	400	
" " "	" " for Lamp & Co.,	44	" 23,	12	20
December 31,	" " you,	13 30	December 12,	400	
1866,			1866,		
January 31,	" " "	12 95	January 4,	450	
" " "	" " "	12 83	" 20,	500	
" " "	" " "	10 58	" 31,	450	
February 28,	" " "	6 18	February 15,	300	
March 31,	" Bill of Lantern,	04	March 24,	4	25
" " "	" cash paid you,	5 37	" 1,	300	
" " "	" " "	4 67	" 13,	300	
" " "	" " "	3 35	" 24,	250	

STATEMENT 7—CONTINUED.

1866.	1866.			
April 30,	April 7,	To cash paid you,	\$ 2 67	\$ 250
" "	" 17,	" "	2 18	250
" "	" 25,	" "	1 43	200
May 31,	May 5,	" Bill of Lantern,		3 50
" "	" 7,	" Cash paid you,	1 21	250
" "	" 12,	" "	97	250
" "	" 26,	" "	35	300
June 13,	June 13,	" "		350
" 20,	" 20,	" Bill of Lantern,		15
" 1,		" Balance of Interest to Debit,		253 08
" "				
		" Am't due Fowle & Co., this	253 94	8,963 13
		day, and carried to Debit N. C.		
		Rail Road.		
			\$	\$
				8,963 13

FOWLE & Co., per
Rob't. C. Potts.

E. & O. Excepted,
New York, June 25th, 1866.
(Signed,)

Correct:

CHAS. PARMENTER.

STATEMENT 8.

OFFICE FOWLE & CO., No 70, BROADWAY, NEW YORK.

CHARLES PARMENTER ESQ., *In account current and interest account to October 15th, 1866, with FOWLE & Co.*

1866.		1866.			
June, 22.	To Cash paid you,	June 27,	\$110	\$	7 49
July 11.	" "	July 11,	96		4 66
July 28.	" "	July 28,	79		2 30
August 9.	" "	August 9,	67		3 25
August 18.	" "	August 18,	58		1 69
September 3.	" "	September 3,	42		3 27
	To interest to date,			\$	22 66
October 5.	Due Fowle & Company, Oct. 15th, 1866.				22 66
				\$	\$1,572 66

Carried to debit of North Carolina Rail Road Company as cash, October 15th, 1866, \$1,572 66.
 E. E., New York, October 20th, 1866.

Signed,

FOWLE & CO.
 Per Robt. C. Potts.

STATEMENT (9.)

North Carolina Rail Road Company

DR.

To CHARLES PARMENTER.

1865.			
October 2,	To cash paid Foote, Vibbard & Co., as per receipt,	\$	347 34
October 3,	To cash paid Foote, V. & Co., as per receipt,		525 80
October 2,	To cash paid C. E. Hurkhorn per receipt,		900 00
	Paid \$10.00 for towing Engine to Steamer,	\$	1,773 14
			10 00
		\$	1,783 14

CORRECT :

E. WILKES,
Engineer and Superintendent.

(STATEMENT 10.)

OFFICE OF NORTH CAROLINA RAIL ROAD COMPANY.

Company Shops, August 28, 1865.

FOWLE & Co, 70 Broadway, New York.

The bearer, Mr. Charles Parmenter, Master of Transportation, goes North to purchase materials, &c.

Mr. Parmenter, has the confidence of the Company, and any debt contracted by him will be promptly met by us.

Will you be good enough to assist him in any way you can.

The materials ordered through Mr. Rice, please hurry forward.

E. WILKES,

Engineer and Superintendent.

Signed,

Official,

F. A. STAGG, Secretary.

(STATEMENT 11.)

What do you know about the exchange of the Old North Carolina Bonds in the hands of the Committee of the Sinking Fund of the North Carolina Rail Road, belonging to the Rail Road corporation. State all you know about it, giving date and amounts so far as you can ?

Ans. In the summer or fall of 1864, I learned in someway, I do not now recollect how, that the commissioner of the Sinking Fund of the North Carolina Rail Road, were exchanging old North Carolina six per cent bonds for new North Carolina six per cent. at the rate of one of the old for two of the new. Very soon afterwards, supposing that Mr. Davis, one of the commissioners would be at synod, in Greensboro, I went up expecting to see both him and Mr. Mendenhall, together. I then and there made a trade with Mr. Davis, Mr.

Mendenhall consenting, for twenty-five thousand (25,000,) dollars of these old six per cent. at the above rates, and was to have time to procure and deliver the new bonds, and was to receive the old bonds when the new bonds were delivered, the interest to be made in the same proportion. The Commissioners then held about (\$23,000) twenty-three thousand dollars of six per cent remaining, which they declined to contract to exchange with me till the first exchange was completed; about the time and while the exchange already contracted for was being made, I corresponded with Mr. Davis about an exchange for the remaining old bonds held by the Rail Road, and about the last of November or the first of December, 1864, I received a letter from Mr. Davis, saying I might have the remainder, provided Mr. Mendenhall was willing. I immediately went to see Mr. Mendenhall, told him what Mr. Davis had written me, and he, Mr. Mendenhall, agreed to let me have them, agreeing, as in the former exchange, to let me have time to procure the new bonds. I went on procuring the new bonds as fast as I could, and some time in January, as Mr. Davis subsequently informed me, the Board of Directors held a meeting and rescinded the order to exchange. As soon as I received this letter from Mr. Davis, I went up to see Mr. Mendenhall on the subject, and exhibited to him the letter from Mr. Davis, in which Mr. Davis had stated to me that he would agree to the trade, if approved by Mr. Mendenhall, and which I had not showed him before. Mr. Mendenhall said he would prefer to leave the matter open till he could lay the matter before the board of Directors; though he regarded the Company bound in both law and honor to carry out the contract, as it had been made before the rescinding by the board of the order to exchange. I then requested him to give me a statement in writing of the facts in regard to the matter, which he did. As I was leaving his office, I met with Dr. Guion and Mr. Flanner. I stated the case to them, and showed to them Mr. Mendenhall's statement of the contract. Dr. Guion took the ground that it was the duty of Mr. Mendenhall to consummate the trade, as it was made before the rescinding of the order to exchange by the board. Dr. Guion, Mr. Flanner and myself, then all went in and had a talk with

Mr. Mendenhall. He did not decide at once what he would do, but finally, before I left, decided to consummate the trade. I immediately commenced to purchase the new bonds. Most of the new bonds I delivered immediately after Johnson's surrender, and all the old ones were delivered to me soon after that event. I purchased some of these new bonds, I think about thirty thousand of them, after the surrender. The final exchange, to the best of my recollection was made in June, though, of the precise time I do not certainly remember.

Sworn to and subscribed before the committee, January 24, 1867.

GEO. W. SWEPSON.

M. S. ROBINS, Chairman.

STATEMENT 12.

I was chosen one of the Committee of the Sinking Fund of the North Carolina Rail Road Company, at the meeting of the Stockholders at Greensboro', which I believe was held in July, 1863. I understood that some of the old North Carolina bonds, belonging to the Sinking Fund of the road, had been exchanged previous to that meeting; at that meeting, after the adjournment of the Stockholder's meeting, the Directors met, and it was determined by the board, as the best policy, to exchange the old North Carolina bonds for the "new" bonds. My impression is, that there were exchanges made between that time and the meeting of the Stockholders in July, 1864, and reported to the Stockholders at the latter date. As to the amount on hand at that time, I would refer to the report submitted to the Stockholders, and printed with the proceedings of the Stockholders' meeting. The only exchange made after July, 1864, of which I have any distinct recollection, was with George W. Swepson, who was at that time one of the Directors of the road. My impression is that Mr. D. A. Davis took charge of the fund in July 1864, and retained possession of it till Sherman was advancing from Columbia, South Carolina, when he sent the fund to me.

Whether there were any "old" North Carolina bonds sent me by Mr. Davis or not, I do not recollect, nor do I know when the contract for exchange was made with Mr. Swepson. My impression is that this contract was made in the Fall of 1864, but I do not remember the month. I do not remember whether I ever opened the bundle sent me by Mr. Davis containing the fund sent me by express, till after the surrender, when, under the order of the Board of Directors, I sent the bundle to Company Shops, probably in May or June, 1865. I have an indistinct recollection of delivering to George W. Swepson some of these bonds, and of receiving some "new" bonds from him on account of the Sinking Fund of the road. The number, amount, or date, whether before or after the surrender of General Johnson, I do not recollect. I have no recollection of ever conversing with Dr. Guion in Greensboro' till after the surrender, and had no talk with him on this subject at any time, so far as I remember.

CYRUS P. MENDENHALL.

Sworn to and subscribed before the Committee, February 1st, 1867.

M. S. ROBINS Ch'mn.

Introduced by Mr. DARGAN, of Anson.

Wm. E. Pell, Printer to the State.

A BILL TO EXCHANGE A CERTAIN AMOUNT OF
THE STOCK IN THE NORTH CAROLINA RAIL
ROAD COMPANY WITH THE CHERAW AND
COAL FIELDS RAIL ROAD COMPANY, AND FOR
OTHER PURPOSES.

SECTION 1. *Be it enacted by the General Assembly of the*
2 *State of North Carolina, and it is hereby enacted by the au-*
3 *thority of the same,* That whenever satisfactory proof is
4 produced to the Public Treasurer, that five hundred thou-
5 sand dollars are duly subscribed in good and *bona fide*
6 subscriptions to the capital stock of the Cheraw and Coal-
7 fields Rail Road Company, he is hereby authorized and
8 directed to subscribe on the part of the State, five hun-
9 dred thousand dollars to the capital stock of said Com-
10 pany, to be paid in stock of the North Carolina Rail Road
11 at the par value thereof: And that he take, in the name
12 of the State, a certificate from said Company for the stock
13 so subscribed, and the said Cheraw and Coalfields Rail
14 Road Company shall receive the stock so directed to be
15 transferred by the State in payment at par, without any
16 recourse whatever against the State.

SEC. 2. *And be it further enacted,* That previous to the
2 delivery of the five hundred thousand dollars stock in the
3 North Carolina Rail Road Company to the Cheraw and
4 Coalfields Rail Road Company as directed in the preced-
5 ing section, the Public Treasurer shall require a guaran-
6 tee or other security from the Cheraw and Coalfields Rail
7 Road Company, that as soon as the Road is completed the
8 Company will provide the means and engage to pay into

10 the State, a corresponding amount of one hundred thou-
11 sand dollars shall be subscribed and transferred by the
12 Public Treasurer, as directed in the preceding section, in
13 the stock of the North Carolina Rail Road Company, or
14 in the stock or bonds of some other finished Rail Road in
15 the State of equal value with the North Carolina Rail Road
16 stock, and so on, in successive subscriptions and transfers
17 of one hundred thousand dollars each, as the work pro-
18 gresses, to the extent of the additional subscription au-
19 thorized in the beginning of this section. The whole
20 amount to be taken at its par value, and to be paid for in
21 certificates of the stock of the Cheraw & Coalfield Rail
22 Road Company, issued in the name of the State.

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